

DROPPERS & SCHARL

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DROPPERS & SCHARL REALTY & APPRAISALS

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March 2, 2009

Karen Otte, Clerk
Village of Cedar Grove
P.O. Box 426
Cedar Grove, WI 53013-0426

Dear Clerk Otte:

At your request I did inspect the exterior and interior of the Cedar Grove, Wisconsin Fire Department building the morning of February 27, 2009. The nature of this assignment is to estimate what the fair market rent would be for this building assuming the owner/land lord would maintain the building and the tenant would do the snow removal, lawn cutting, pay for heat, electric, and water. This information will be used in the discussions/negotiations between the Village of Cedar Grove and Town of Holland in the "shared costs" arrangement of operating the fire department.

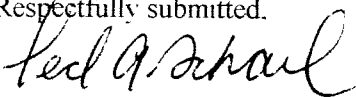
To do this, this appraiser talked with four landlords from the area who own similar style buildings which are rented out for shop/office use such as machining, building contractor, auto repair, vehicle maintenance, etc. Those landlords asked that their specific building rental rates not be revealed for propriety reasons. I will honor their request.

The rates for "shop use" of buildings in the area ranged from 18.5 cents per sq ft of floor space per month to 33.9 cents per sq ft of floor space per month with three buildings being rented in the range of 27.8 cents to 33.9 cents per sq ft. Based upon that information I would estimate the present fair market rent of the Cedar Grove Fire Department building at 28 cents per sq foot per month. The low end of the "upper end" of the range. The 18.5 cents per month rate appears to be under the market (it did include some unheated floor space for cold storage) when one looks at the other rents being paid in the area. Some of these buildings were modern clear span buildings, some were 50+ years age buildings with add-ons, such is the fire department building. One could argue the fire department building has functional inadequacies not suitable to most users due to the many interior walls and rooms subject has, but on the other hand it is a special purpose use building, built for fire trucks with interior walls for fire / storm security, and the special use of the meeting room/office to the back.

My calculations of the subject building are that it has a gross floor area of 6,960 sq ft.

$6,960 \text{ sq ft} \times \$0.28/\text{sq ft} = \$1,950/\text{per month gross rent}$ (rounded from \$1,948.80) with tenant paying all utilities, and snow removal/lawn maintenance.

Respectfully submitted,



Ted A. Scharl
Certified General Appraiser #84-Wisconsin